

HOUSE BILL NO. 624

INTRODUCED BY BUZZAS, FUCHS, KASTEN, LASLOVICH, WANZENRIED

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A BUDGET STABILIZATION ACCOUNT;
5 PROVIDING SOURCES OF FUNDS; REQUIRING A TWO-THIRDS VOTE OF EACH HOUSE OF THE
6 LEGISLATURE FOR APPROPRIATION OF THE BUDGET STABILIZATION ACCOUNT; ~~DESCRIBING~~
7 ~~CONDITIONS FOR USE OF THE BUDGET STABILIZATION ACCOUNT; LIMITING THE SIZE OF THE~~
8 ~~BUDGET STABILIZATION ACCOUNT IN RELATION TO THE GENERAL FUND BUDGET; PROVIDING A~~
9 STATUTORY APPROPRIATION; AMENDING SECTIONS 10-3-101, 10-3-312, AND 17-7-502, MCA; AND
10 PROVIDING AN EFFECTIVE DATE."

11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13

14 NEW SECTION. Section 1. Budget stabilization account -- two-thirds vote for appropriation --
15 STATUTORY APPROPRIATION. (1) There is a budget stabilization account established in the state special revenue
16 fund, as provided for in 17-2-102(1)(b)(i). ~~The~~ EXCEPT FOR THE STATUTORY APPROPRIATION IN SUBSECTION (2), THE
17 budget stabilization account may be appropriated only by a two-thirds vote of each house of the legislature.

18 (2) UP TO \$12 MILLION OF THE BUDGET STABILIZATION ACCOUNT IS STATUTORILY APPROPRIATED, AS PROVIDED
19 IN 17-7-502, TO THE OFFICE OF THE GOVERNOR TO BE USED WHENEVER AN EMERGENCY OR DISASTER IS DECLARED BY
20 THE GOVERNOR PURSUANT TO TITLE 10, CHAPTER 3, AND THE MONEY MAY BE EXPENDED BY THE GOVERNOR PURSUANT
21 TO 10-3-312. THE STATUTORY APPROPRIATION IN THIS SUBSECTION MAY BE USED BY ANY STATE AGENCY DESIGNATED
22 BY THE GOVERNOR.

23

24 NEW SECTION. Section 2. Source of funds. (1) ~~During the budgeting process for each biennium,~~
25 ~~the legislature shall designate an additional~~ BEGINNING JULY 1, 2005, THE DEPARTMENT SHALL TRANSFER 1% of the
26 actual ~~unrestricted~~ revenue collections received in the completed fiscal year to ~~be set aside~~ in the budget
27 stabilization account provided for in [section 1].

28 (2) ~~After the department determines the general fund ending balance for~~ AT THE END OF the biennium,
29 the department shall ~~allocate~~ TRANSFER to the budget stabilization account created under [section 1] 50% of any
30 unanticipated fund balance that is greater than the general fund ending balance as projected by the legislature

1 ~~that is not otherwise encumbered or allocated by law for deposit in a different fund.~~ 100% OF THE PREVIOUS 2
 2 FISCAL YEARS' REVENUE IN EXCESS OF THE MOST RECENT GENERAL FUND REVENUE ESTIMATING RESOLUTIONS FOR THAT
 3 BIENNIUM AND ADJUSTED FOR THE FISCAL IMPACT OF LEGISLATION THAT IS PASSED AND APPROVED FOR THE LEGISLATIVE
 4 SESSION IN WHICH THE MOST RECENT REVENUE ESTIMATING RESOLUTIONS WERE ADOPTED FOR THAT BIENNIUM. If the
 5 allocation to the budget stabilization account results in the budget stabilization account reaching a sum greater
 6 than ~~5% of the general fund budget for that biennium~~ 10% OF THE PREVIOUS 2 FISCAL YEARS' AVERAGE GENERAL
 7 FUND REVENUE, the amount of unanticipated balance that is not designated to the budget stabilization account
 8 must ~~be allocated to~~ REMAIN IN the general fund.

9 (3) Interest income from the budget stabilization account must be deposited in the account.

10 (4) Gifts, donations, or other money made available to the budget stabilization account must be
 11 deposited in the account.

12
 13 ~~NEW SECTION. Section 3. Conditions for appropriation.~~ Appropriations from the budget
 14 stabilization account may be made only to address or alleviate a projected general fund budget deficit in the
 15 current biennium. A projected general fund budget deficit may be determined by either:

16 ~~(1) the office of budget and program planning pursuant to 17-7-140(3); or~~

17 ~~(2) the legislative fiscal analyst by taking into consideration anticipated revenue, authorized levels of~~
 18 ~~appropriation, anticipated supplemental appropriations, and anticipated reversions.~~

19
 20 ~~NEW SECTION. Section 4. Limiting budget stabilization account.~~ The balance of the budget
 21 stabilization account may not exceed 5% of the established levels of appropriation from the general fund for a
 22 biennium.

23
 24 **SECTION 3.** SECTION 10-3-101, MCA, IS AMENDED TO READ:

25 **"10-3-101. Declaration of policy.** Because of the existing and increasing possibility of the occurrence
 26 of disasters or emergencies of unprecedented size and destructiveness resulting from enemy attack, sabotage,
 27 or other hostile action and natural disasters and in order to provide for prompt and timely reaction to an
 28 emergency or disaster, to ~~insure~~ ensure that preparation of this state will be adequate to deal with disasters or
 29 emergencies, and generally to provide for the common defense and to protect the public peace, health, and
 30 safety and to preserve the lives and property of the people of this state, it is declared to be necessary to:

- 1 (1) authorize the creation of local or interjurisdictional organizations for disaster and emergency services
 2 in the political subdivisions of this state;
- 3 (2) reduce vulnerability of people and communities of this state to damage, injury, and loss of life and
 4 property resulting from natural disasters or ~~man-made~~ disasters caused by human activity;
- 5 (3) provide a setting conducive to the rapid and orderly start of restoration and rehabilitation of persons
 6 and property affected by disasters;
- 7 (4) clarify and strengthen the roles of the governor, state agencies, and local governments in prevention
 8 of, preparation for, response to, and recovery from emergencies and disasters;
- 9 (5) authorize and provide for cooperation in disaster prevention, preparedness, response, and recovery;
- 10 (6) authorize and provide for coordination of activities relating to disaster prevention, preparedness,
 11 response, and recovery by agencies and officers of this state and similar state-local, interstate, federal-state,
 12 and foreign activities in which the state and its political subdivisions may participate;
- 13 (7) provide an emergency and disaster management system embodying all aspects of emergency or
 14 disaster prevention, preparedness, response, and recovery;
- 15 (8) assist in prevention of disasters caused or aggravated by inadequate planning for public and private
 16 facilities and land use;
- 17 (9) supplement, without in any way limiting, authority conferred by previous statutes of this state and
 18 increase the capability of the state, local, and interjurisdictional disaster and emergency services agencies to
 19 perform disaster and emergency services; and
- 20 (10) authorize the payment of extraordinary costs and the temporary hiring, with statutorily appropriated
 21 funds under 10-3-312 and [section 1], of professional and technical personnel to meet the state's responsibilities
 22 in providing assistance in the response to, recovery from, and mitigation of disasters in either state or federal
 23 emergency or disaster declarations."

24

25 **SECTION 4. SECTION 10-3-312, MCA, IS AMENDED TO READ:**

26 **"10-3-312. Maximum expenditure by governor -- appropriation.** (1) Whenever an emergency or
 27 disaster is declared by the governor, there is statutorily appropriated, as provided in 17-7-502, to the office of
 28 the governor, ~~as provided in 17-7-502~~; and, subject to subsection (2) of this section, the governor is authorized
 29 to expend from the ~~general fund~~ budget stabilization account, provided for in [section 1], an amount not to
 30 exceed \$12 million in any biennium, minus any amount appropriated pursuant to 10-3-310 in the same biennium.

1 If the balance in the budget stabilization account is less than \$12 million in any biennium, the governor is
 2 authorized to expend from the general fund an amount not to exceed a total of \$12 million from the two sources.

3 The statutory appropriation in this subsection may be used by any state agency designated by the governor.

4 (2) In the event of the recovery of money expended under this section, the spending authority must be
 5 reinstated to a level reflecting the recovery.

6 (3) If a disaster is declared by the president of the United States, there is statutorily appropriated, as
 7 provided in 17-7-502, to the office of the governor, ~~as provided in 17-7-502~~, and the governor is authorized to
 8 expend from the general fund an amount not to exceed \$500,000 during the biennium to meet the state's share
 9 of the individual and family grant programs as provided in 42 U.S.C. 5178. The statutory appropriation in this
 10 subsection may be used by any state agency designated by the governor."
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12 **SECTION 5. SECTION 17-7-502, MCA, IS AMENDED TO READ:**

13 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
 14 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without
 15 the need for a biennial legislative appropriation or budget amendment.

16 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
 17 of the following provisions:

18 (a) The law containing the statutory authority must be listed in subsection (3).

19 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory
 20 appropriation is made as provided in this section.

21 (3) The following laws are the only laws containing statutory appropriations: 2-15-151; 2-17-105;
 22 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; 15-23-706;
 23 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101; [section 1]; 17-3-106; 17-3-212; 17-3-222;
 24 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305;
 25 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-5-306; 23-5-409; 23-5-612;
 26 23-5-631; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623;
 27 53-6-703; 53-24-206; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 80-2-222; 80-4-416; 80-5-510; 80-11-518;
 28 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

29 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
 30 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued

1 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana
2 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state
3 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory
4 appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of
5 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360,
6 L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's
7 unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates
8 July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710
9 terminates June 30, 2005; pursuant to sec. 17, Ch. 414, L. 2001, the inclusion of 2-15-151 terminates December
10 31, 2006; and pursuant to sec. 2, Ch. 594, L. 2001, the inclusion of 17-3-241 becomes effective July 1, 2003.)"

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12 **NEW SECTION. Section 6. Codification instruction.** [Sections 1 ~~through 4~~ AND 2] are intended to be
13 codified as an integral part of Title 17, chapter 7, part 1, and the provisions of Title 17, chapter 7, part 1, apply
14 to [sections 1 ~~through 4~~ AND 2].

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16 **NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 2003.

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